

ANNEXURE C

ANNUAL REPORT

07 / 08

# GAMAGARA MUNICIPALITY

**Annual Report  
in terms of section 121 of the  
MFMA and 46 of the  
Municipal Systems Act**

**2007/2008**



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# INTRODUCTION AND OVERVIEW



## MAYOR'S FOREWORD

This Annual Report of Gamagara Local Municipality provides a comprehensive overview for the financial year 2007/2008 of the municipality's contribution to the programmes of government in response to the needs of our people. These include capacity building efforts which have led, amongst other, to better planning which is most critical in the provision of services.

Communication is essential to reach out to the people; is important that we should be comfortable to talk openly about challenges that hinder improved service delivery. This is important because, when we communicate both our successes and failures to the people, we will not only get them to understand our situation as a municipality, but also be in a position to hear crucial information that will assist us in shaping and improving the way we interact with ordinary people. Our honest engagement with the community will provide us with important data that will assist in bringing aspects of policy in line with practice, thereby refocusing our efforts to better serve our people. This simple conversation and consultation can make a big difference in how we plan and implement projects and ultimately lead to a safer and better quality environment for our communities. If we are not open and do not consult with people, chances are we will experience protests that could otherwise have been avoided had this simple conversation taken place. It is therefore imperative to acknowledge and appreciate the contribution of all who ensured that processes and policies involved are well implemented and communicated to the people we serve. These include among others our V Committee Members and Community Development Workers.

Lastly I would like to express my gratitude to the Council of Gamagara Local Municipality, Municipal Manager Mr Cornelius Joachim, All Head Departments, senior officials, all staff members and Community for their dedication and commitment to fulfilling the municipality's mandate to be the lives of all our people. This is a sign of commitment to this course and I am certain that this enthusiasm will be carried over as we continue to serve our people.



**MAYOR: MR MJ RAKOI**

**Cllr M.J RAKOI**  
**MAYOR OF GAMAGARA LOCAL MUNICIPALITY**

## **MUNICIPAL MANAGER'S FOREWORD**

Once again I am honoured to draw your attention to the record of Gamagara Municipality's achievements in this Annual Report 2007/2008. As the winner once more of the Municipal Performance Excellence (Vuna) Award for the best performing municipality in infrastructure development and service delivery, Gamagara Municipality has demonstrated its commitment and determination to fulfill its vision to provide equal facilities for all and to be a safe and healthy environment.

Gamagara Municipality has experienced significant and unprecedented growth in the past years. This growth has enormously increased the pressure on administration and called upon the Municipality to increase its institutional capacity for proper implementation of service delivery. It was therefore clear that administration was expected to go an extra mile to ensure continuous and hassle free service delivery. Taking note of the above, the municipality has a responsibility to ensure that the economic potential of the area is realised in order to better deliver an effective, efficient and economic service to all its citizens.

The transformation programmes of the municipality are successfully implemented. We can proudly say that our financial situation is sound and stable and this enable us to continuously deliver quality services to all our citizens.

As we walk on the 2007/2011 roadmap, we humbly request our residents and other stakeholders to partner with us in the identification implementation of the IDP projects which stems from the needs of the community.

I would like to conclude by passing sincere appreciation to councillors for the outstanding and excellent oversight role and political leadership have given us, senior management and the entire administration for their commitment and dedication shown in performing their duties to be address the needs of the entire Gamagara community.

**MR C JOACHIM**  
**MUNICIPAL MANAGER OF GAMAGARA MUNICIPALITY**



**MUNICIPAL MANAGER:**  
**MR C JOACHIM**



## OVERVIEW OF GAMAGARA MUNICIPALITY

### Geographic Profile

**G**amagara Municipality comprises of an area of 2619 square kilometres, and is located in the North Eastern sector of the Northern Cape, on N14 National Road between Upington and Vryburg. It is approximately 200km North East of Upington and 280km North West of Kimberley.

The municipal area of Gamagara consists of 5 towns, Kathu, Shesheng, Dibeng, Dingleton, and Olifantshoek, a large farming area and a considerable mining area. The single largest factor that has guided the development of the Gamagara area is the iron ore mine at Sishen. Not only does the mine provide jobs to thousands of people, but it was also the reason for the establishment of the town of Kathu. Kathu is the largest town within the municipality and is also the administrative centre of the Gamagara Municipality. Olifantshoek is the second largest town and is situated on the Gamagara River to the northwest of Kathu. Dingleton is the smallest of the 5 towns and is located in the centre of the mining activities directly south of Kathu.

### Kathu

Kathu, 'the town under the trees', came into being because of Iscor's iron ore mining activity in the Kalahari. Municipal status was allocated to the town of Kathu during July 1979. Kathu is connected by rail (Dingleton Station) via Kimberley as well as by road to all the main centres namely Johannesburg, Bloemfontein, Windhoek and Cape Town and has an airport with a tarmac runway. The municipality originally consisted of 2 towns namely Sishen and Kathu.

*'the town under the trees'*

Iskor started developing the town of Sishen in 1953 – south of the mining area. On 23 June 1990 the name Sishen was changed to Dingleton. Development to the new town, Kathu, began in 1974 after proclamation was finalized in 1972.



This development was also due to mining activities which was based on the mining of iron ore. Kathu, 1230 meter above sea level, is one of the n beautiful and modern towns in the country. One of the main attractions for visitors is the Sishen Mine, which is one of the largest open iron ore m in the world. An eye-catching sight for visitors is the gigantic iron ore trucks with loads of up to 170 ton. The ore railway line from Sishen to Salda had the distinction of being the longest iron ore carrier in the world.



It is situated in the Kathu-bush, which mainly exist of majestic camel thorn trees. In 1 this extensive bush area together with the salt pans, rich in pre-historic foundings, proclaimed as a nature reserve heritage. There are more than 200 different bird spe to be found in these bush areas. The gathering of camel thorn pods – used as lives fodder – makes a useful income for many who are jobless.

Well equipped recreation facilities of the highest quality with a variety of sports facili including one of the most beautiful golf courses in the country and Olympic stand swimming bath, as well as modern club and conference facilities are available to sports enthusiast.

### Sesheng

Sesheng is located to the west of Kathu and was initially planned as a high density residential area for mine workers, without families of any s structure. It consists of group hou units that belong to the mine to west, with small pockets of o houses to the west thereof. The la residential housing component Sesheng is located nearer to Kath the form of single residential ho (Ext 5). The area to the east of Sesh is the fastest growing residential outside of Kathu.





### Dibeng

Dibeng started off as a small settlement on the banks of the Gamagara River which provided water for the small-holdings that run the full length of the town. The residential areas are characterized by the river in the centre of town and the rocky limestone outcrops directly east and west of the river. Dibeng consists entirely of single residential houses, but can be split into a low density area to the west and higher density and less formal houses to the east. Dibeng was given its name by the Tswana and means "first drinking place". This small town is situated on the banks of the dry Gamagara River. Residents have to provide their own water and every property has its own wind pump, therefore Dibeng is sometimes referred to as "the sunflower town".



### Dingleton

Dingleton was developed in a linear form along the one side of the then main road between Upington and Kuruman. Dingleton consists almost totally of low density single residential houses. The town is surrounded by large mine activities and the resettlement of Dingleton residents are eminent due to expansions of mining activities in this direction.

### Olifantshoek

This is the only town lying at the foot of the Langeberg; Olifantshoek is a farming town close to two game ranches on the Namakwari Route.

Founded in 1895, the village is called the 'Gateway to the White and Roaring Sands', 78km south of the town. The town was founded in 1897.

The town used to be the land of the Tswana, where tribes like Batlhaping and Batlharo used to dwell. Olifantshoek boasts an abundance of adventure, natural wonders and cultural artefacts that can be explored by all enthusiasts.

It is Northwest of Kathu, Northeast of Kuruman and Southwest of Upington. In the year 2000 Olifantshoek Municipality became part of Tsantsabane Local Municipality until 2006 when it was amalgamated into Gamagara Local Municipality. The town is a low/medium density





residential area, but due to the new developments which are underway it will in future become high density residential area. Other developments include a 18 hole golf course.

### Infrastructure

Gamagara Municipality has jurisdiction over an area of 2619 km<sup>2</sup> and a municipal valuation of taxable property in excess of 500 - million.

- Healthcare is taken care of by two clinics and a private mine hospital as well as a provincial hospital
- The transportation system comprises of road, rail and air links with the major industrial and urban centres
- 95 established businesses with 30 business stands for the development of secondary industries in the light industrial area at Kathu. Dingleton has 12 developed business stands with a total of 192 businesses in the Gamagara Municipality's area of jurisdiction



- Established congregations of most of the larger Christian denominations.
- Nine government schools to meet the needs of the community with regard to primary and secondary education.
- Kathu Technical College, offering secondary and tertiary technical education and various academic and practical courses. An accredited Technical Training Centre in Kathu offers training in various engineering disciplines
- Fifty-one social and recreational clubs catering for 38 sports. The golf course at Kathu is rated as one of the top 20 in the country.

Gamagara Municipality is also ideally located on the Roa Kalahari tourist route and offers a number of activities and attractions to visitors.

### Future considerations

Due to the extension of mining activities in the Gamagara municipal jurisdiction, the need for residential and industrial development is prevalent.

Olifantshoek has been redemarcated into the Gamagara municipal area and as of 1 July 2000 Gamagara Municipality took over responsibility for the town.

The proclamation of Hotazel into a township is completed. Currently the town of Hotazel is under the responsibility of the Kgalagadi District Municipality, but indications are that the town will be incorporated into the Gamagara municipal area in the near future.

## EXECUTIVE SUMMARY

The goals and objectives of the municipality as in the Integrated Development Plan (IDP) have been aligned with the Performance Management System (PMS). Key Performance Areas and Development Objectives stated here are as it appears in the PMS.

### Vision, mission and strategic priorities

#### MISSION

The Gamagara Municipal Council and Administration will strive to:  
Render quality, effective and sufficient services;  
Promote the general well being through a safe and healthy environment amongst all residents;  
Equality and fairness in the allocation of resources; and Promote sound and sustainable economic growth in the municipal area.

#### VISION

To be a prosperous, harmonic Gamagara Municipality with a safe and healthy environment and to provide equal facilities for all.

#### *Mission statement*

a *declaration* of the *general objectives* and *principles* of *operation* of an *organization*



### Key Performance Areas [2007/2008]

Key Performance Area	Description
Infrastructure & Basic Services	The provision of applicable infrastructure and the maintenance thereof.
Local Economic Development	The stimulation, strengthening and improvement of the local economy in order to achieve sustainable growth;
Financial Viability and Financial Management	The promotion and maintenance of a financially viable municipality.
Good Governance and Community Participation	The role of ward committees and CDW's for ensuring effective public participation.
Municipal Transformation & Institutional development	The facilitation and development of sustainable service delivery capacity building in the municipality

### Development Objectives by Key Performance Area

Development Objectives were reviewed during the financial year as part of the IDP Review process. Development Objectives have been arranged by Key performance Area as well as per Balanced Scorecard element.

DEVELOPMENT OBJECTIVES 2007/2008	
Key Performance Area	Development Objective
Social Development	Promotion of literacy in all communities
Economic Development	To reduce unemployment
	To ensure the effective management of human resources
	Providing an effective performance management system.
Institutional & Governance	To ensure a representative staff composition in line with the Council's Employment Equity Plan.
	To provide effective Council administration
	To create sufficient institutional capacity to achieve goals of a developmental authority.
	To ensure an effective administration in accordance with legal requirements

DEVELOPMENT OBJECTIVES 2007/2008	
Health	To effectively implement law enforcement programmes on health regulations
Land and Housing	To ensure ordained building activities
Infrastructure & Basic Services	To ensure that all households have access to basic services
	To provide effective financial management
	To ensure the effective and transparent conducting of internal audit processes
	To ensure optimal spending of capital budget on IDP projects
Financial Management	To ensure that revenue is maximally collected and sustainably managed
	The maintenance and promotion of a financially viable municipality.

### Governance

Gamagara Municipality was established by Section 12 notice O.N. 32 of 2000 published in Provincial Gazette 564 of 6 October 2000, and consists of former municipalities of Kathu and Deben as well as other remote areas.

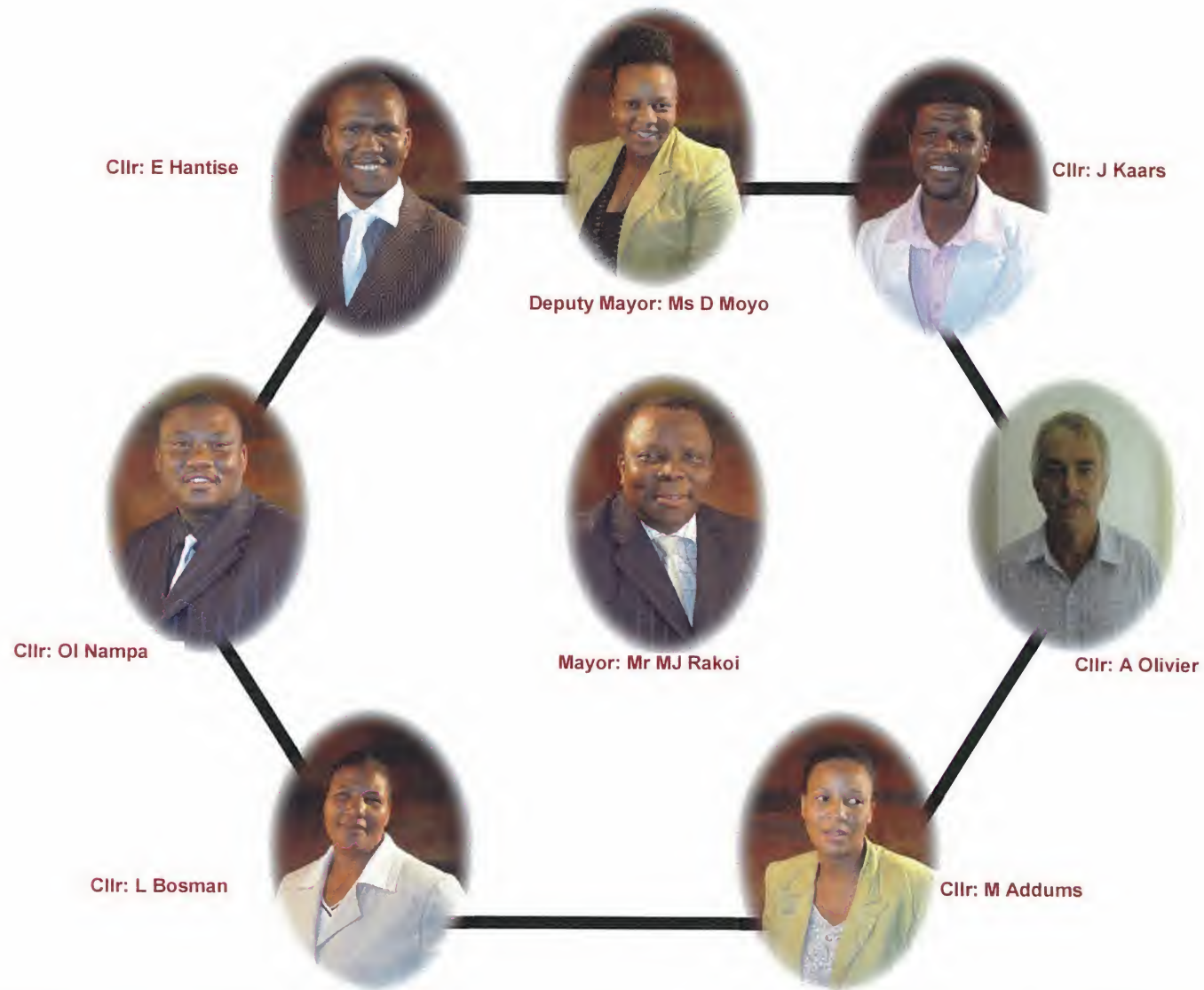
Gamagara Municipality has four (4) municipal wards:

Mayor J Rakoi	(Proportional Representative)
Cllr A Olivier	Ward 1
Cllr O P Hantise	Ward 2
Cllr O I Nampa	Ward 3
Cllr M M Diniza	Ward 4
Cllr K L Bosman	(Proportional Representative) – Ward 3
Cllr D P Moyo	(Proportional Representative) – Ward 1
Cllr M J Rakoi	(Proportional Representative) – Ward 1
Cllr J C Kaars	(Proportional Representative) – Ward 4





**Gamagara Municipal Council**



## Executive



The administration of Gamagara consist of 5 Departments under the Municipal Manager, all headed by a Manager. The Internal Audit function is performed by the Kgalagadi District Municipality.



Mr C Joachim is the Municipal Manager.

The Municipal Manager heads Gamagara Municipality's administration and provides the link between the political and administrative arms of the municipality.



Mr TC Itumeleng is the Manager Corporate Services

This department is responsible for:  
Administration;  
Auxiliary Services;  
Housing; Committee Services; Valuations;  
Legal Support; Planning;  
Property Management;  
Land Use management;  
Human resource Management;  
Management Support;  
Continuous Improvement; I.T.



	<p>Mr K Ositang is the Manager Technical Services</p>	<p>This department is responsible for all Water, Sanitation, Technical, Electricity and Roads services of the Municipality.</p>		<p>Mrs Q Hinana is the Manager Community Services and Cleansing Services.</p>	<p>This department is responsible for Environmental Health, Cleansing, Parks and Recreation.</p>	
	<p>Mr MN Grond is the Manager Financial Services</p>	<p>This department is responsible for the financial administration of the municipality, as prescribed by legislation</p>	<p>VACANT POST</p>		<p>Manager Strategic Services has been identified as a new post, but has not been filled</p>	<p>This department is responsible for Economic Development, IDP and Performance Management Systems</p>

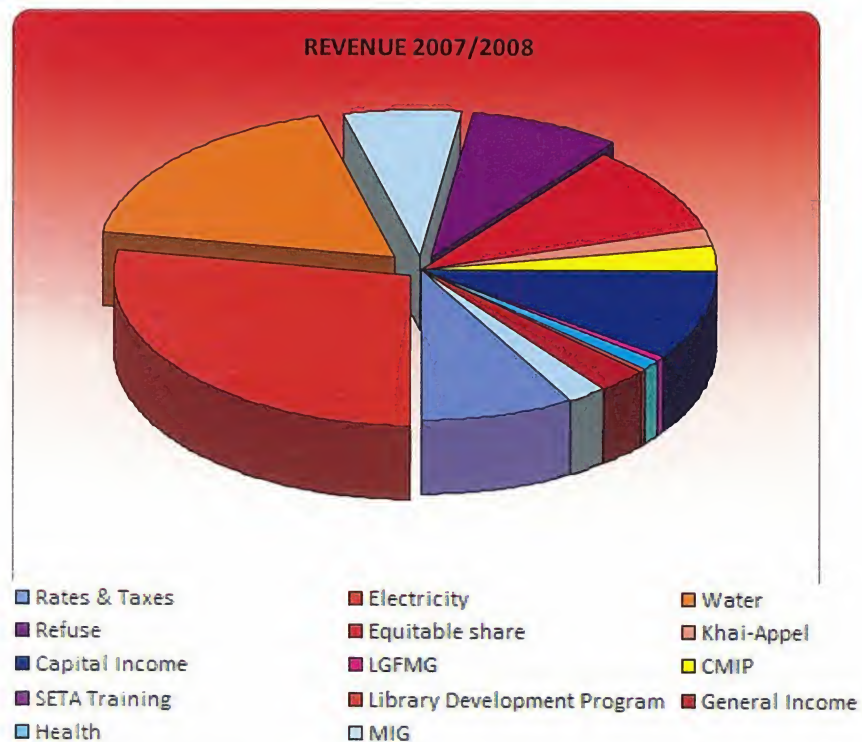
## Financial Health

(Full details in financial statements: See Chapter 4)

Gamagara Municipality is in good financial health, with positive cash flow, after ending the 2007/08 financial year with a surplus of R 124,674. This brought the accumulated surplus to R 2,308,458.

Operational income decreased by 11.28% during the 2007/08 financial year to a total of R 80,541,625. Expenditure decreased by 11.35% to R 80,416,951. The budget was under spent by 23.91%.

Electricity sales are the biggest source of income and provides for 28% of all income. In future and in view of REDS, income will have to rely on other sources, such as rates, water, sanitation and refuse removal. Sources of income are nevertheless well balanced, as indicated in the graph below:

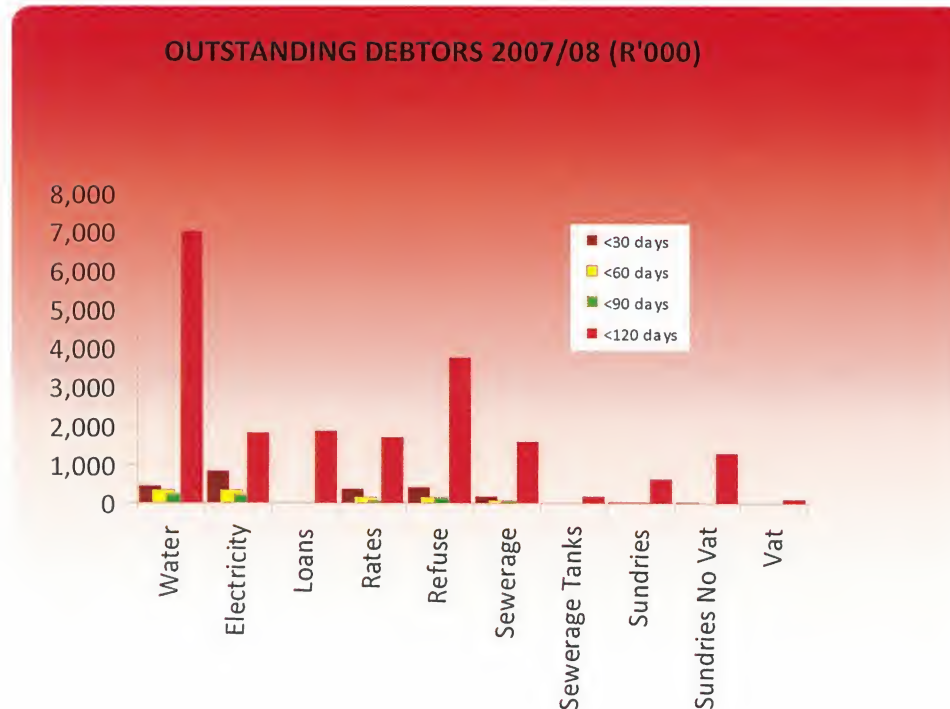


	Actual 2007/08 R' 000	Actual 2007/08 %
Rates & Taxes	6,642	8.25
Electricity	22,397	27.81
Water	14,580	18.10
Sewage	5,251	6.52
Refuse	6,647	8.25
Equitable share	7,786	9.67
Khai-Appel	1,507	1.87
Interest Received	2,402	2.98
Capital Income	7,756	9.63
LGFMG	500	0.62
CMIP	-	-
MSIG	734	0.91
SETA Training	100	0.12
Library Development Program	230	0.29
General Income	2,147	2.67
Arts & Culture	100	0.12
Health	63	0.08
MIG	1,700	2.11
	80,542	100.00



Assets increased with an amount of R 153 to R197 million with outstanding loans amounting to R39,560,723. Cash are available for all amounts provided for in statutory and trust funds.

Outstanding debtors' amount to R 24,286,026 excluding advanced payments, as indicated below. The national phenomenon of arrears debtors is also prevalent in Gamagara and steps need to be taken to address this. Payment percentage on 30 June 2008 was 81.56% for Kathu and 21.43% for Olifantshoek.



DESCRIPTION	<30 days	<60 days	<90 days	<120 days	TOTAL
Water	459	331	215	7,029	8,033
Electricity	841	340	225	1,819	3,225
Loans	0	0	0	1,848	1,848
Rates	379	154	89	1,714	2,335
Refuse	419	165	136	3,784	4,503
Sewerage	209	78	68	1,605	1,960
Sewerage Tanks	17	9	10	180	216
Sundries	48	26	29	651	754
Sundries No Vat	24	11	3	1,278	1,315
Vat	0	0	0	97	97
<b>TOTAL 2007/08</b>	<b>2,395</b>	<b>1,113</b>	<b>774</b>	<b>20,005</b>	<b>24,286</b>

Total number of Indigent subsidies for 2007/08 amounted to 1740. The total amount received with regards to equitable share received was R7.7 million.

Total salary cost was R 27,334,938. An amount of R 4,971,083 is included in this amount to provide for severance packages of Section 57 employees.

## Developments

Gamagara has enormous development opportunities, especially due to mining expansion. The Kathu East Water Tower and Reservoir is nearing completion and will help providing in the water needs of Kathu residents.

Kathu Village Mall opened its doors on 27 November 2008. Development cost amounted to R140 million, with a number of major retailers such as Edgars, Ackermans, Foschini, Pep, Markham, Tekkie Town. Not only does the mall provide a shopping experience, but it is also making a positive contribution to the economic growth of the town. In the next decade, Kathu is expected to double in size due to economic activity.



Kathu Village Mall 2007/2008



Water Tower construction 2006/07

Water Tower 2007/2008



The Gamagara Youth Centre was officially opened on the 2<sup>nd</sup> October 2008. As the y represents 60% of the region's population centre will aim to provide gr opportunities for the youth to grow to full potential.



## PERFORMANCE HIGHLIGHTS

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## SERVICE OFFERINGS

*Services are discussed in detail per department in part 5. This section serves only as a condensed summary of service offerings.*

A full range of municipal services are provided by the municipality, through the various departments. Service offerings per department are the following:

DEPARTMENTAL FUNCTIONS 2007/2008	
Community Services	
Access control/ security Management	<p>Manage the representation of appointed officials within the department on every community police forum so that the needs of the community are met by the work of the department and that the community receives feedback on the work done by the department.</p> <p>Establish and improve Social &amp; Welfare function</p> <p>Take overall responsibility for access control of main municipal building.</p>
Financial Management	Monitor and control the budget so that expenditure is in line with Council's requirements.
Fire & Emergency Management	Formulate and implement a Disaster Management Plan as part of the IDP that will cope with any Emergency
Governance	Prepare and submit the reports to the Municipal Manager and relevant political structure so that they are informed of the issues relevant Emergency Services, Library Services, Health Services, Municipal Police and Traffic Services, Social and Welfare development, and Parks.
	Provide support to the political level so that politicians are advised of relevant issues and are in a position to take informed decisions.
	Take overall responsibility for the department so that all Council policies and procedures are adhered to. This includes policies relating to procurement, finance, treasury, control and regulations.
Health Management	Lead and direct the health services for the municipality so that the key strategic objectives in relation to health are achieved.

## DEPARTMENTAL FUNCTIONS 2007/2008

<b>Human Resource Management</b>	Lead, direct and manage staff within the department so that they are able to meet their objectives.
	Develop and implement an Employment Equity Plan for the department that is in line with the Council's Employment Equity Strategy.
	Oversee the training plans of the staff so that each member of staff within the department has an updated and active training plan linked to quarterly performance review sessions.
<b>Management of Library Services</b>	Lead and direct the Library Services division for the municipality so that the key strategic objectives in relation to Community Services are achieved
<b>Management of Parks</b>	Prepare and implement strategic plans for parks that both inform and are aligned to the IDP of Gamagara Municipality.
	Conduct research and development to find innovative solutions to future delivery of parks and public open space
	Reduce the infrastructural backlogs to ensure efficient and effective provision of service for improved living conditions
<b>Management of Parks/Traffic</b>	Oversee the management of the depots and work areas so that cost effective operations is ensured
<b>Management of Traffic</b>	Regulate and manage traffic, enforce by-laws and educate the public so that safety on the road is improved
	Make policy and strategy recommendations based on international best practices so that Council is able to make informed decisions around Traffic.
	Network, communicate and liaise with all relevant stakeholders including communities, neighbouring and Traffic services and other departments so that their needs are understood and opportunities are identified that influence the Municipal Plan. These needs and opportunities must be prioritised and managed to fit within budgetary requirements, limitations and IDP priorities.
	Ensure traffic and traffic planning for major events, and communicate with all relevant personnel so that needs are accounted for and met.
	Oversee the management of the Vehicle Registration section and Testing station so that effective vehicle license services and the testing of vehicles occurs
	Oversee the management of the Vehicle Registration section and Testing station so that effective vehicle



## DEPARTMENTAL FUNCTIONS 2007/2008

	license services and the testing of vehicles occur.
	Manage information of the Traffic section so that accurate statistics are available for developing preventative strategies.
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	Manage information of the Traffic section so that accurate statistics are available for developing preventative strategies.
<b>Performance Management</b>	Facilitate a process whereby self evaluation sessions are held with unit heads to measure departmental performance.
<b>Public Safety</b>	Ensuring the safety Of community, by providing fire services amongst others
<b>Social Welfare</b>	Manage the representation of appointed officials within the department on every community police forum so that the needs of the community are met by the work of the department and that the community receives feedback on the work done by the department.
	Establish and improve Social & Welfare function
<b>Corporate Services</b>	
<b>Administration</b>	Build relationships with other Senior Managers so that an understanding is created of their requirements and these are incorporated into the policy and strategic planning process of the division.
	Provide a high quality and responsive administration service to the Municipality
<b>Financial Management</b>	Monitor and control the budget so that expenditure is in line with Council's requirements
<b>Governance</b>	Prepare and submit reports to the Municipal Manager and the relevant political structure so that they are informed of the issues relevant to Corporate Support
	Provide support to the political level so that politicians are advised of relevant issues and are in a position to make informed decisions.
	Take overall responsibility for the management of the department so that all Council policies and procedures are adhered to. This includes policies like procurement, finance, treasury, regulations, HR etc.
	Clearly present the challenges facing each section to council, so that they are able to make appropriate decisions with regards to each service.



## DEPARTMENTAL FUNCTIONS 2007/2008

<b>Human resource Management</b>	Lead, direct and manage staff within the department so that they are able to meet their objectives.
	Develop and implement an Employment Equity Plan for the department that is in line with the Council's Employment Equity Strategy.
	Oversee the training plans of staff so that each staff member within the department has an updated and active training plan.
	Lead, direct and enable the manager of the Administration Department so that the administration objectives of Council are achieved
	Lead, direct and enable the Legal Service so that the objectives of the Council in this area are achieved
	To lead, direct and enable the IT Department so that the IT objectives of Council are achieved
	Assist all other departments to compile individual performance files
<b>Information Technology</b>	Participate in and contribute to the development of an overall municipal information strategy so that the development of an integrated policy for information management and usage, software, linkages to clients and update of information base for the municipality is facilitated.
<b>Performance Management</b>	Facilitate a process whereby self evaluation sessions are held with unit heads to measure departmental performance.
<b>Property Management</b>	Inform stakeholders of decisions made with regards to policy and valuations so that they are informed of the value of their property, they gain an understanding of the link between property values and rates, and so that there is an understanding of the role economic circumstances play in impacting on property values
	Direct and co-ordinate statutory duties so that Local Government Ordinances and Council resolutions are adhered to.
<b>Financial Services</b>	
<b>Expense Management</b>	Manage and control expenditures so that Council has a sound footing. Therefore has a proper accounting and payment system which prevents and allows for accurate reporting.
	Manage Council procurement and stores in order to achieve high standards in respect of value for money, affirmative procurement, and rapid and efficient buying
<b>Financial Control</b>	Develop a medium term financial framework within Council can operate
	Provide a framework for financial accountability and ensure it is applied effectively

## DEPARTMENTAL FUNCTIONS 2007/2008

	Manage and control budgeting and financial planning so that the strategic direction to Council is reflected in the budget.
	Manage the cash flow of the Council and the Council's long term liabilities so that a sustainable cash flow is ensured.
<b>Financial Management</b>	Monitor and control the budget so that expenditure is in line with Council's requirements.
<b>Governance</b>	Prepare and submit the reports to the Municipal Manager/IDP Manager and the relevant political structure so that they are informed of the issues relevant to finance
	Provide support to the political level so that politicians are advised of relevant issues and are in a position to make informed decisions.
	Take over all responsibility for the management of the department so that all Council policies and procedures are adhered to. This includes policies relating to procurement, finance, treasury and regulations
<b>Human Resource Management</b>	Lead, direct and manage staff within the department so that they are able to meet their objectives.
	Develop and implement an Employment Equity Plan for the department with the Council's Employment Equity Strategy (provision: upon resignation of current staff member or new post).
	Oversee the training plans of staff so that each staff member within the department has an updated and active training plan.
	Oversee the training plans of staff so that each staff member within the department has an updated and active training plan
<b>Income Management</b>	Manage and control revenue so that the council receives all money owed to it
<b>Integrated Development Planning</b>	Develop and implement a budget process linked fully to the IDP in a system that allows for public participation and the alignment of the budget to community needs.
	Take actively part in all IDP review activities as stipulated by the review plan
<b>Performance Management</b>	Facilitate a process whereby self evaluation sessions are held with unit heads to measure Departmental performance.
<b>Municipal Manager</b>	
<b>Financial Management</b>	Strategically manage the use of Council resources so that an economic, effective and efficient service is delivered.



## DEPARTMENTAL FUNCTIONS 2007/2008

	Maintain overall responsibility as chief accounting officer for all income and expenditure of the municipality, all assets and the proper compliance with the Public Finance Management Act.
<b>Governance</b>	<p>Manage the interface with the mayor and Council so that the administration is aligned with the priorities of Council.</p> <p>Start up of new administration complete e.g. new systems in place, delegations and authorisations in place etc</p> <p>Ensure good governance within the municipality so that transparency, public accountability, access to information, administrative justice and responsiveness to complaints are dealt with in terms of the relevant legislation</p> <p>Develop and maintain relationship at a provincial, national and local government level so that there is a understanding at these levels of government of the needs and requirements of the municipality and these are reflected in white papers</p>
<b>Integrated Development Planning</b>	Oversee the establishment of an ongoing practice of integrated development planning for the municipality that will ensure alleviation of poverty and the facilitation of sustainable economic growth and development so that it is in alignment with Council priorities; budgetary constraints and human resources capacity
<b>Participative Governance</b>	<p>Facilitate mechanisms of public participation so that the needs of the public are understood, the public has a forum to influence the allocation of resources to their priorities and the public can monitor and hold the municipality accountable for its performance.</p> <p>Engage with both public and private organisations so that joint strategies on issues such as crime, HIV/Aids can be developed, and expertise, experiences and resources are shared</p>
<b>Performance Management</b>	<p>Lead, direct and manage senior staff so that they are able to meet their objective</p> <p>Ensure that all the planning and reporting of the performance of the municipality conforms to be requirements of the Municipal Systems Act.</p>
<b>Technical Services</b>	
<b>Administration</b>	Build relationships with other Senior Managers so that an understanding is created of their requirements and these are incorporated into the policy and strategic planning process of the division
<b>Building Control</b>	Lead and direct the Building Control function of the municipality so that the key objectives in relation to building control are met



## DEPARTMENTAL FUNCTIONS 2007/2008

<b>Financial Management</b>	Monitor and control the budget so that expenditure is in line with Council's requirements
<b>Governance</b>	Prepare and submit reports to the Municipal Manager and the relevant political structure so that they are able to make appropriate decisions with regards to each service
	Provide support to the political level so that politicians are advised of relevant issues and are in a position to make informed decisions.
	Take overall responsibility for the management of the department so that all Council policies and procedures are adhered to.
	Clearly present the challenges facing each section to council, so that they are able to make appropriate decisions with regards to each service.
<b>Human Resource Management</b>	Lead, direct and manage staff within the department so that they are able to meet their objectives
	Develop and implement an Employment Equity Plan for the department that is in line with the Council's Employment Equity Strategy
	Oversee the training plans of the staff so that each member of staff within the department has an updated and active training plan linked to quarterly performance review sessions
<b>Integrated Development Planning</b>	Take actively part in all IDP review activities as stipulated by the review plan
<b>Occupational Health and Safety</b>	Lead and direct the Occupational Health & Safety function of the municipality so that the key objectives in relation to occupational health and safety are met.
<b>Performance Management</b>	Facilitate a process whereby self evaluation sessions are held with unit heads to measure departmental performance
	Lead, direct and manage senior staff so that they are able to meet their objective.
<b>Project Management</b>	Oversee management of civil engineering projects
<b>Water Provision</b>	Lead and direct the Water Provision function of the municipality so that the key objectives in relation to water provision are met.

## **SERVICE HIGHLIGHTS**

### **Water and Sanitation**

- ✓ Application has been made to DBSA for financing for 2008/2009.
- ✓ Metering efficiency – 100% of water extracted/supplied/purchased is metered.

### **Electricity**

- ✓ Metering efficiency – 100% of electricity generated/purchased is metered.

### **Solid Waste Management**

- ✓ Solid waste backlog – 289 erven in Sesheng without refuse removal system.
- ✓ Percentage volume of general waste recycled – 25%.

### **Housing**

- ✓ 86 New State subsidy houses built in Deben.

### **Roads**

- ✓ Number of households without direct access to roads – None
- ✓ Most roads are in need of upgrading or maintenance

### **Community Facilities**

- ✓ Four community halls serve the population -1 Dingleton, 1 Deben and 2 Olifantshoek.
- ✓ 30% households are within a 1km radius of a community hall
- ✓ Two sports facilities serve the community - 1 Deben and 1 Olifantshoek.
- ✓ Area parks and open spaces per sq km per 10,000 population – 2,98
- ✓ 30% households within 1km radius of parks and open spaces – 80%.

### Indigent Households

Any household, earning less than two times State Pension fund (2 x R940.00 = R1,880.00), qualifies to be registered as indigent. Indigents are subsidized up to a total of R182.33 per month. Where the total billing is less than R182.33, the subsidy is limited to the billed amount. Six kiloliters of water and 50 Kwh electricity is supplied free of charge.

### Special Projects

The following were some of the poverty alleviating projects undertaken during the past year: Brick making factory, Coffin making factory and chemical factory.

The chemical factory is currently in operation, with 40 permanent employees; however it is envisaged that approximately 150 workers will be employed once all the projects are fully operational.

## SERVICE DELIVERY BACKLOGS

	30-Jun-06		30-Jun-07			30-Jun-08		
	Required	Budgeted	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>WATER BACKLOGS (&lt;6KL)</b>								
Backlogs to be eliminated (Households not receiving minimum level of service)	89	89	289	289	0	289	289	0
Backlogs to be eliminated (% backlog Households/total households in municipality)	2%	2%	5%	5%	5%	3%	3%	0%
Spending on new infrastructure to eliminate backlogs (R'000)	8015	8015	R4 554	R4 554	R7 495	R 4,554	R 0	R 0
Spending on Renewal of existing infrastructure to eliminate backlogs (R'000)	0	0	R 445	R 445	R 402	R 446	R 446	R 420
Total spending to eliminate backlogs	8015	8015	R5 400	R5 400	R8 437	R 446	R 446	R 420
Spending on maintenance to ensure no new backlogs created (R'000)	0.37	0.37	R 401	R 401	R 540	R 446	R 446	R 420



	30-Jun-06		30-Jun-07			30-Jun-08		
	Required	Budgeted	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>SANITATION BACKLOGS</b>								
Backlogs to be eliminated (Households not receiving minimum level of service)	89	89	289	289	0	289	289	0
Backlogs to be eliminated (% backlog Households/total households in municipality)	2%	2%	5%	5%	5%	3%	3%	0%
Spending on new infrastructure to eliminate backlogs (R'000)	12969	12969	R7 353	R7 353	R2 716	R 4,637	R 0	R 0
Spending on Renewal of existing infrastructure to eliminate backlogs (R'000)	0	0	R 423	R 423	R 453	R 83	R 83	R 92
Total spending to eliminate backlogs	12969	12969	R8 080	R8 080	R3 636	R 83	R 83	R 92
Spending on maintenance to ensure no new backlogs created (R'000)	0.25	0.25	R 304	R 304	R 467	R 83	R 83	R 92
<b>REFUSE REMOVAL BACKLOGS</b>								
Backlogs to be eliminated (Households not receiving minimum level of service)	289	289	289	289	0	0	0	0
Backlogs to be eliminated (% backlog Households/total households in municipality)	6.80%	6.80%	6.80%	6.80%	0	0.00%	0.00%	0
Spending on new infrastructure to eliminate backlogs (R'000)	0	0	R 51	R 51	R 51	R 1,000	R 1,000	R 1,754
Spending on Renewal of existing infrastructure to eliminate backlogs (R'000)	0	0	R 363	R 363	R 600	R 12	R 12	R 28
Total spending to eliminate backlogs	0	0	R 48.60	R 48.60	R 48.60	R 112,000.00	R 112,000.00	R 128,000.00
Spending on maintenance to ensure no new backlogs created (R'000)	0.2	0.2	R 359	R 359	R 323	R 12	R 12	R 28

	30-Jun-06		30-Jun-07			30-Jun-08		
	Required	Budgeted	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>ELECTRICITY BACKLOGS (&lt;10KWH PER MONTH)</b>								
Backlogs to be eliminated (Households not receiving minimum level of service)	89	89	489	489	0	489	489	0
Backlogs to be eliminated (% backlog Households/total households in municipality)	2%	2%	2%	2%	2%	3%	3%	0%
Spending on new infrastructure to eliminate backlogs (R'000)	2622	2622	R3 037	R3 037	R2 111	R 13,000	R 0	R 0
Spending on Renewal of existing infrastructure to eliminate backlogs (R'000)	0	0	R1 645	R1 645	R1 643	R 900	900	R 341
Total spending to eliminate backlogs	2622	2622	R6 041	R6 041	R4 638	R 900	900	R 341
Spending on maintenance to ensure no new backlogs created (R'000)	0.43	0.43	R 1,359	R1 359	R 884	R 900	900	R 341
<b>ROADS BACKLOGS</b>								
Backlogs to be eliminated (Households not receiving minimum level of service)	0	0	0	0	0	0	0	0
Backlogs to be eliminated (% backlog Households/total households in municipality)	0%	0%	0	0	0	0	0	0
Spending on new infrastructure to eliminate backlogs (R'000)	4282	4282	R4 697	R4 697	R1 910	R 0	R 0	R 0
Spending on Renewal of existing infrastructure to eliminate backlogs (R'000)	0	0	R 421	R 412	R 428	R 5,350	R 5,350	R 1,595
Total spending to eliminate backlogs	4282	4282	R5 278	R5 278	R2 490	R 5,350	R 5,350	R 1,595
Spending on maintenance to ensure no new backlogs created (R'000)	0.97	0.97	R 160	R 160	R 152	R 158	R 158	R 153



### Planning and surveying

Gamagara Municipality is experiencing unprecedented growth and various factors linked mainly to the mining industries in the area, lead to increased planning activities, as indicated in the tables below.

Category	Applications outstanding on 1 July 2007	Number of new applications received 2007/08	Total value of applications received	Applications outstanding 30 June 2008
Residential new	0	260	22,750,667.00	0
Residential additions	0	61	13,179,226.50	0
Commercial	0	17	4,810,900.00	0
Industrial	0	2	580,300.00	0
Other :				
• Cell phone antennae	0	1	34,200.00	0
• Store for flammables	0	0	0	0
• Classrooms at College	0	1	0	0

## PERFORMANCE REPORT

### Performance management activities during the year

Performance management activities during the year focused on the alignment of performance management with the IDP and Budget and correction of shortcomings identified in the previous year. The following activities took place:

- Adjusting the objectives and development objectives in the IDP to align it with Performance Management Regulations and aligning the IDP and PMS;
- Development of business plans per business unit and financial ring fencing of activities;

- Refinement of performance indicators and targets in terms of the SDBIP;
- Measurement of achievement of objectives of the IDP; and
- Measurement of the performance of Section 57 employees

### Performance Excellence

- National Vuna Awards 2007 - Service Delivery and Infrastructure Development
- Provincial Vuna Awards 2007 – Service Delivery and Infrastructure Development



### National Indicators

National Indicators, as set out in the Performance Management Regulations, are the following:

INDICATOR	ACHIEVED 2006/07	ACHIEVED 2007/08
Percentage of households with access to all basic household services	92%	92.9%
Percentage of households earning less than R1880 per month with imputed expenditure with access to all free basic services	100%	100%
Percentage of capital budget spent on projects identified in terms of the Integrated Development Plans (IDP's)	100%	39%
Number of jobs created through local economic development initiatives supported by the municipality	190	175 + 300 ( Kathu Village Mall)
Percentage achievement of approved employment equity plan within the first three layers of management	100%	75%
Percentage of skills levy received in rebate as a measure of the municipality's investment in human resource development	100%	165%
Financial viability defined as: debt coverage = (total revenue-conditional grants)/ debt service payments	Revenue: R 86 483 756 Payments: R 91 837 202	Revenue: R 80 541 625 Interest: R 5 756 715 1255%
Outstanding debtors to revenue = total outstanding debtors/annual revenue	Debtors: R 24 291 415 Revenue: R 86 483 756	Debtors: R24,286,026 Revenue: R 80 541 625 12%
Cost Coverage = (cash inclusive of transfers + investments) /(monthly) salary & wage bill + average fixed expenditure)	Cash: R 19 258 000 Salary+ Exp: R 90 715 324	Cash: R 26 058 000 Salary + Exp: R 80 416 951 32%

### **Service Delivery Indicators**

Indicators for service delivery in terms of departmental business plans as captured in the SDBIP for 2007/08 were developed. Indicators are attached as **Annexure B**.

### **Performance Measures**

Measured performance against IDP objectives for 2007/08, are attached as **Annexure C**.

## HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT



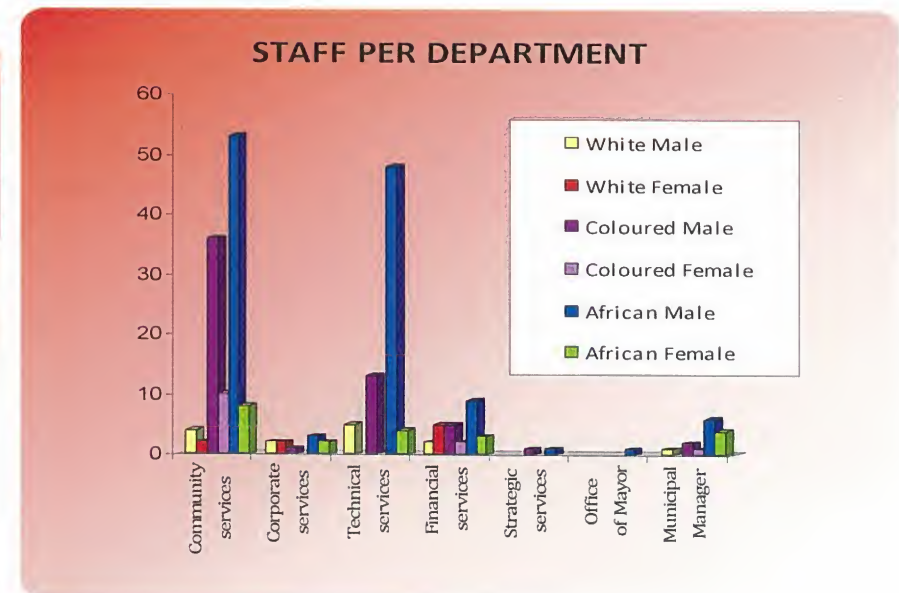
## ORGANISATIONAL STRUCTURE

A high level organisational structure of the municipality is as follows:



Staff numbers by gender, race and department are indicated in the graph.

Staff per department							
	Community services	Corporate services	Technical services	Financial services	Strategic services	Office of Mayor	Municipal Manager
White Male	4	2	5	2			1
White Female	2	2		5			
Coloured Male	36	1	13	5	1		2
Coloured Female	10			2			1
African Male	53	3	48	9	1	1	6
African Female	8	2	4	3			4
	113	10	70	26	2	1	14

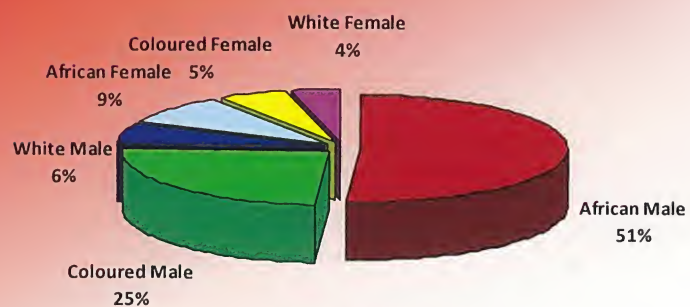


## STAFF PROFILE

### Staff by race and gender

The number and percentage of all staff broken down in terms of race and gender as at 30 June 2008 are indicated in the table below:

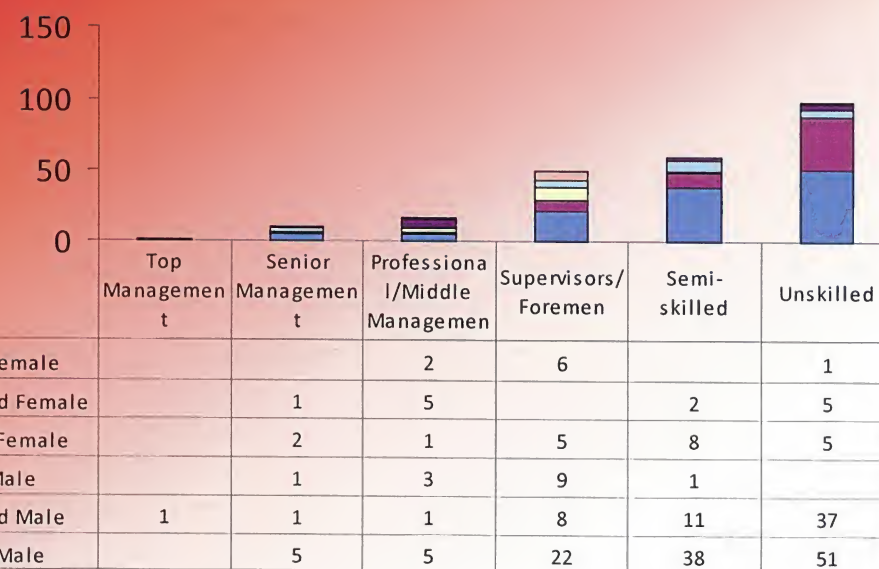
**STAFF BY RACE & GENDER**



### Employees/Representation in occupational level

The number and percentage staff in occupational level as per Regulations EEA2, broken down by race and gender as at 30 June 2008 are as indicated in the table on left.

**OCCUPATIONAL LEVELS**

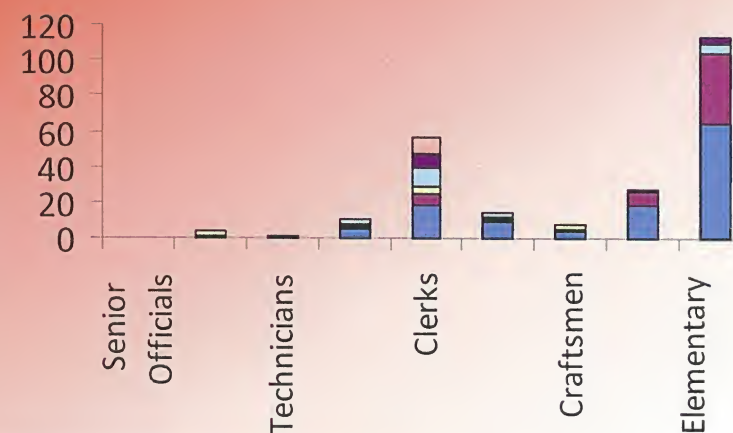


### Employees / Representation in occupational categories

The numbers in occupational category as per Regulations EEA2, broken down by race and gender as at 30 June 2008 are given below.

Staff by Occupational Category	African Male	Coloured Male	White Male	African Female	Coloured Female	White Female
Senior Officials						
Professionals		1	3			
Technicians	1					
Legislators	5	2	1	2	1	
Clerks	19	6	4	11	8	9
Service workers	9	1	2	3		
Craftsmen	4	1	3			
Operators	18	9	1			
Elementary	65	39		5	4	

### STAFF BY OCCUPATIONAL CATEGORY



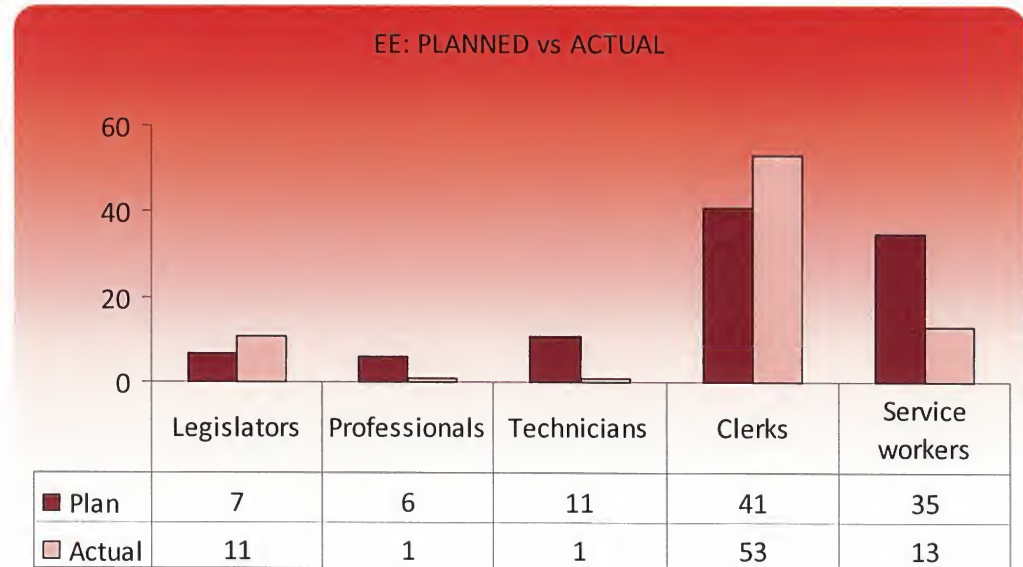


### Employment Equity Plan

Gamagara Municipality's holistic approach to employment equity relates to the vision of an institutional culture that is free of all forms of discrimination (including harassment), that nurtures everyone and that not only tolerates differences, but values diversity for the richness it brings to the work of a Municipality.

During the year appointments and promotions were conducted in accordance with the Employment Equity (EE) Plan, as far as possible. Following to the Plan and EE Policy, appointments will be made according to an Employment Equity schedule of numeric goals (i.e. if the numeric goal schedule indicates that the highest need is for black women, this will be the first choice, thereafter the next need, etc). If the personnel committee recommends a candidate who is not a member of the group as specified in the numeric goal schedule, they must fully motivate their conclusion that no suitably qualified candidate from the relevant groups could be found for the post.

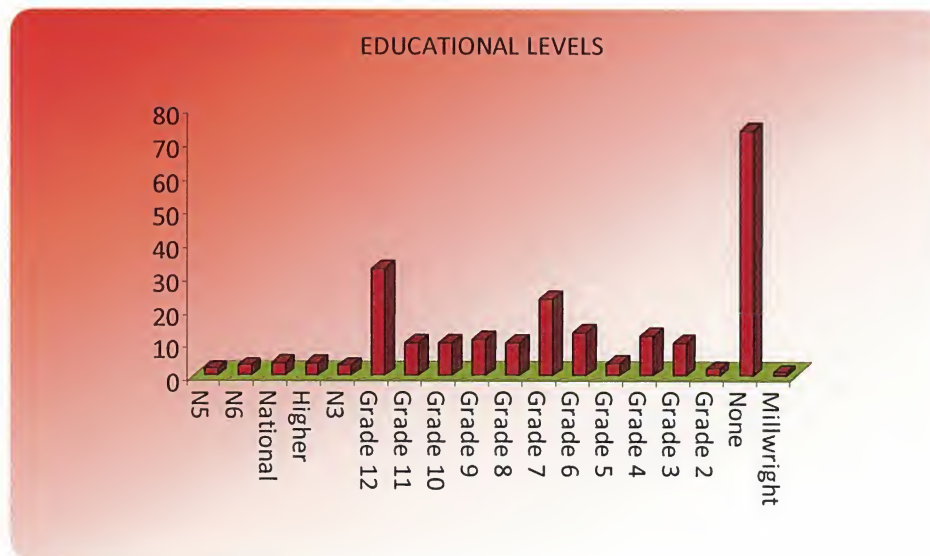
Significant progress was made in this regard, as indicated in the graph left:



## Training

Gamagara Municipality values its staff and considers training of staff imperative for continued excellent service delivery. During the financial year several workshops were attended by both staff and Councillors and extensive training of staff took place.

Current educational levels of staff are represented below:



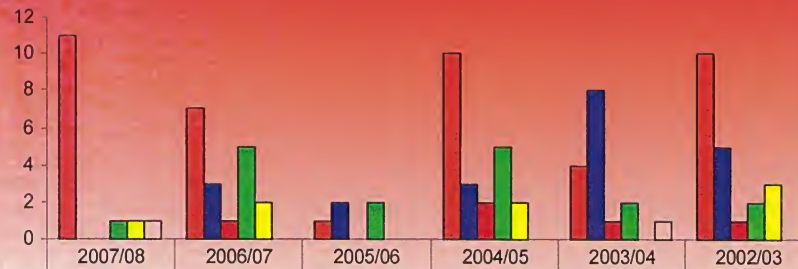
### Educational profile

Degree	4
N5	2
N6	3
National Diploma	4
Higher National Diploma	4
N3	3
Grade 12	32
Grade 11	10
Grade 10	10
Grade 9	11
Grade 8	10
Grade 7	23
Grade 6	13
Grade 5	4
Grade 4	12
Grade 3	10
Grade 2	2
None	73
Millwright	1
Security training	4
Abet	1
Library Course	1



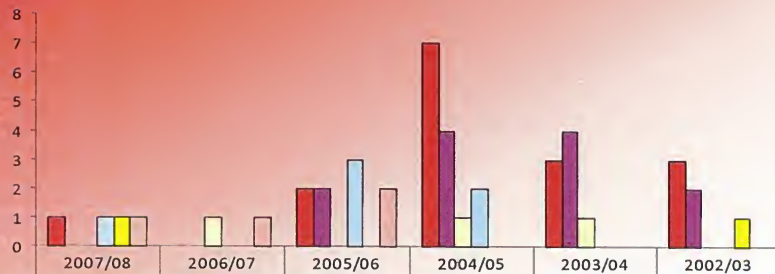
## Staff movements

### STAFF APPOINTMENTS



African Male	11	7	1	10	4	10
Coloured Male		3	2	3	8	5
White Male		1	0	2	1	1
African Female	1	5	2	5	2	2
Coloured Female	1	2	0	2	0	3

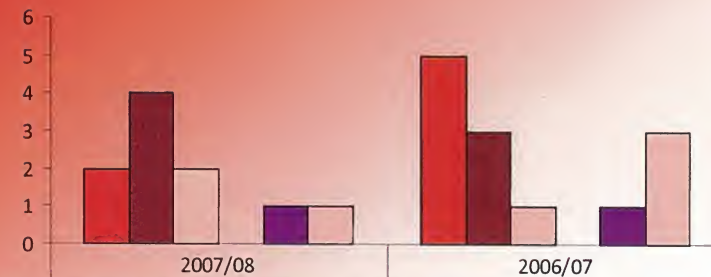
### STAFF PROMOTIONS



African Male	1	0	2	7	3	3
Coloured Male		0	2	4	4	2
White Male		1	0	1	1	0
African Female	1	0	3	2	0	0
Coloured Female	1	0	0	0	0	1
White Female	1	1	2	0	0	0

Staff movements – appointments, promotions and terminations for the current and previous financial years – are indicated in the following graphs:

### STAFF TERMINATIONS



AM	2	5
CM	4	3
WM	2	1
AF		0
CF	1	1

### Medical aid and pension fund membership

All employees are members of a medical aid and pension fund, selected by own choice from the list below:

#### Medical Aids

LAMAF  
Munimed  
Samwumed  
Bonitas



#### Pension Funds

Joint Municipal Councillors Pension Fund (for Councillors only)  
Lekana Employee Benefit  
Cape Joint Retirement Fund  
Sanlam  
Imatu



#### IT SYSTEMS

Gamagara Municipality utilizes the following IT systems:

Sebata	Financial System
IMIS	GIS – Document flow - TGIS
Capman	HR and Leave
E Perform	Performance Management System



## DISCLOSURE CONCERNING POLITICAL OFFICE BEARERS AND ADMINISTRATION

### Political Office Bearers

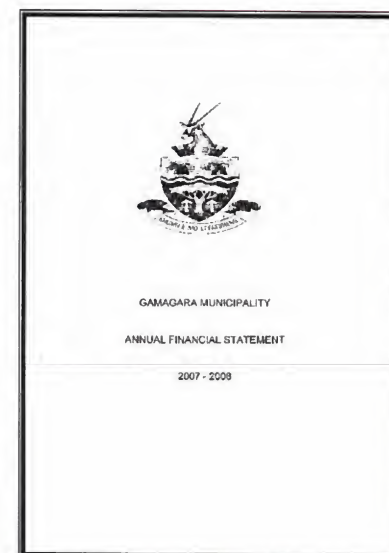
Designation		Allowances	Contributions			Other Benefits and Allowances	Total
	Salary	Travel & Vehicle	Pension Fund	UIF	Medical Aid	Cell phone	
(R000')							
Mayor (Mr MJ Rakoi)	292	100	41	1	5	13	453
Councillor 1 (Ms DP Moyo)	114	29	13	1	0	8	165
Councillor 2 (Mr OI Nampa)	114	29	13	1	0	8	165
Councillor 3 (Ms MM Addums)	114	29	13	1	0	8	165
Councillor 4 (Mr JC Kaars)	114	29	13	1	0	8	165
Councillor 5 (Mr OE Hantise)	114	29	13	1	0	8	165
Councillor 6 (Mr AC Oliver)	114	29	13	1	0	8	165
Councillor 7 (Ms LE Bosman)	114	29	13	1	0	8	165

### Administration

	Salary	Allowances	Contributions			Other Benefits and Allowances	(R000')
		Travel & Vehicle	Pension Fund	UIF	Medical Aid	Cellphone	Total
Municipal Manager (Mr C Joachim)	275	197	47	1	22	47	590
Chief Financial Officer (Mr MN Grond)	249	171	43	1	31	34	529
Manager Community Services (Mrs Q Hinana )	359	117	36	1	0	40	553
Manager Corporate Services (Mr TC Itumeleng)	304	180	50	1	17	18	571
Manager Technical Services (Mr K Ositang)	249	174	43	1	31	36	534

## AUDITED STATEMENTS AND FINANCE RELATED INFORMATION

\*AUDITOR GENERAL REPORT & FINANCIAL STATEMENTS 2007/2008 ATTACHED AS ANNEXURE D





## FUNCTIONAL SERVICE DELIVERY REPORTING

**\*FUNCTIONAL SERVICE DELIVERY REPORTING ATTACHED AS ANNEXURE A**

ANNEXURE A		
CHAPTER 5 FUNCTIONAL SERVICE DELIVERY REPORTING		
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## CONCLUSION ... AND FUTURE OUTLOOK



### Conclusion... and future outlook

The period under review was met with a number of challenges for Gamagara Municipality – both at the political level and for the administration. Despite the diverse challenges; good governance, sound financial management, well maintained infrastructure, development opportunities and tranquillity remain the centre of importance.

Gamagara Municipality continues to strive for political stability and administrative excellence. The administration did undergo major changes, and a stable and disciplined administration is expected in the next business cycle. The Municipality is financially sound and finances are managed effectively.

It is expected that Gamagara Municipality will further contribute to sound and lasting economic stability for all.

*"To be a prosperous, harmonious Gamagara Municipality with a safe and healthy environment and to provide equal facilities for all" - Vision: Gamagara Municipality*